



Billing Code 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

(Transmittal Nos. 12-25)

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English,
DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 12-25 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: June 8, 2012.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

The Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

19 JUN 2012

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 12-25, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to Finland for defense articles and services estimated to cost \$132 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

Richard A. Genaille, Jr.
Deputy Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 12-25

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Finland
- (ii) Total Estimated Value:

Major Defense Equipment*	\$114 million
Other	\$ <u>18 million</u>
TOTAL	\$132 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: 70 M-39 Block 1A Army Tactical Missile System (ATACMS) T2K Unitary Missiles, Missile Common Test Device software, ATACMS Quality Assurance Team support, spare and repair parts, tools and test equipment, support equipment, personnel training and training equipment, publications and technical data, U.S. government and contractor engineering and logistics support services, and other related elements of logistics support.
- (iv) Military Department: Army (VAI)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Annex Attached
- (viii) Date Report Delivered to Congress: 1 June 2012

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Finland – Army Tactical Missile Systems M-39 Block 1A

The Government of Finland has requested a possible sale of 70 M-39 Block 1A Army Tactical Missile System (ATACMS) T2K Unitary Missiles, Missile Common Test Device software, ATACMS Quality Assurance Team support, spare and repair parts, tools and test equipment, support equipment, personnel training and training equipment, publications and technical data, U.S. government and contractor engineering and logistics support services, and other related elements of logistics support. The estimated cost is \$132 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been, and continues to be, an important force for political stability and economic progress in Europe.

Finland intends to use these defense articles and services to expand its existing army architecture and improve its self-defense capabilities. This will contribute to the Finnish Defense Forces' goal of modernizing its capability while further enhancing interoperability between Finland, the United States, and other allies.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The prime contractor will be Lockheed Martin Missiles and Fire Control in Dallas, Texas. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require up to two U.S. Government or contractor representatives to travel to Finland for up to one week for equipment de-processing/fielding, system checkout, and training.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 12-25

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The Army Tactical Missile System (ATACMS) Block 1A T2K Unitary is a ground-launched surface-to-surface guided missile system with a unitary warhead. ATACMS are fired from the M270A1 Multiple Launch Rocket System and the High Mobility Artillery Rocket System launchers. The highest classification level for release of the ATACMS M-39 Block 1A is Secret. The highest level of classified information that could be disclosed by a sale or by testing of the end item is Secret. The Fire Direction System, Data Processing Unit, and special application software are Secret. The highest level that must be disclosed for production, maintenance, or training is Confidential. The Communications Distribution Unit software is Confidential. The system specifications and limitations are classified Confidential. The vulnerability data, countermeasures, vulnerability/susceptibility analyses, and threat definitions are classified up to Secret.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures which might reduce weapon system effectiveness or could be used in the development of a system with similar or advanced capabilities.

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